

Message Text

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PAGE 01 BOGOTA 05837 032052Z

21

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TAGS EGEN CO

SUBJ: ECONOMIC VIEWS OF FORMER PRES LLERAS

REF BOGOTA A-112

1. FORMER PRES CARLOS LLERAS RESTREPO CONTINUED HIS RECENT ECONOMIC PRONOUNCEMENTS WITH A LENGTHY ANALYSIS OF BOTH COLOMBIAN AND INTERNATIONAL ECONOMIC SITUATIONS JUNE 29 IN MEDELLIN. LLERAS GAVE KEYNOTE ADDRESS AT SEMINAR ORGANIZED BY MEDELLIN BUSINESSMEN. THE THREE DAY PROGRAM WAS DESIGNED TO INTERCHANGE IDEAS ON COLOMBIA'S PRESENT AND FUTURE ECONOMIC SITUATION AND INVOLVED NO RESOLUTIONS OR DECLARATIONS.

2. LLERAS' DISCUSSION BEGAN WITH DETAILED ANALYSIS OF SALARIES AND INCOMES POLICY WHICH WAS PRES-ELECT LOPEZ' CAMPAIGN THEME. LLERAS NOTED THAT SOME ASPECTS OF INCOMES AND SALARIES POLICY HAD LONG EXISTED IN ALMOST ALL COUNTRIES AND DEFINED POSSIBILITIES OF SUCH POLICY - PRHAPS BETTER THAN LOPEZ HAD BEEN ABLE TO. HE NOTED WITH APPROVAL EXPRESSIONS OF SUPPORT OFFERED BY MANY SECTORS OF ECONOMY FOR LOPEZ' PRELIMINARY POLICY OUTLINES AND SUGGESTED THAT EXISTING NATIONAL LABOR COUNCIL MIGHT BE APPROPRIATE VEHICLE FOR IMPLEMENTATION OF POLICY.

3. WHILE ENDORSING PRESENT UNMIN'S "FOUR STRATEGIES" DEVELOPMENT
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PAGE 02 BOGOTA 05837 032052Z

PROGRAM, LLERAS IMPLIED THAT TOO MUCH EMPHASIS HAD BEEN PLACED

ON CONSTRUCTION. HE SUGGESTED THAT INSUFFICIENT ATTENTION HAD BEEN GIVEN TO NEED FOR AGRICULTURAL PRODUCTION TO MEET INCREASED DEMAND AND TO CONSTRUCTION SUPPLY BOTTLENECKS WHICH HAD RESULTED IN INORDINATE PRICE INCREASES. LLERAS CONCEDED SOME FAVORABLE ECONOMIC IMPACT FROM CONSTANT VALUE SAVINGS AND LOAN SYSTEM (UPAC) BUT QUESTIONED ITS CONSTITUTIONALITY, PARTICULARLY IN AREA OF OFFICIAL SUBSIDY OF INTEREST PAYMENTS THROUGH THE SAVINGS AND HOUSING FUND (FAVI).

4. IN ANALYZING INTERNATIONAL SITUATION LLERAS NOTED THAT COLOMBIA HAD BENEFITED CONSIDERABLY FROM RECENT CHANGES IN TERMS OF TRADE. AT SAME TIME, EXPORT EXPANSION, COSTS OF SOME IMPORTS, AND EFFECT ON DOMESTIC DEMAND HAD ADDED TO COLOMBIAN INFLATION PROBLEMS. HE QUESTIONED HOW LONG FAVORABLE EXPORT SITUATION WOULD LAST GIVEN OTHER COUNTRIES' EFFORTS TO COMPENSATE FOR OIL IMPORT BILL AND POSSIBLE OVER-PRODUCTION OF COFFEE.

5. COMMENT - LLERAS TOOK GREAT PAINS AT BEGINNING OF SPEECH TO DISCLAIM ANY INTENT TO PASS JUDGEMENT ON PASTRANA ADMIN OR TO SET OUT PROGRAM FOR LOPEZ. WHILE HE APPARENTLY COULD NOT RESIST A FEW ISOLATED JIBES PARTICULARLY AT PASTRANA, HIS REMARKS WERE BASICALLY VERY REASONABLE IN TONE AND TRUE TO HIS PROPOSITION OF INDICATING AREAS OF IMPORTANCE WITHOUT RECOMMENDING DEFINITIVE POLICIES. ALTHOUGH LLERAS REMARKS DO INEVITABLY SUGGEST HIS OWN POLICY VIEWS, SOME OF WHICH ARE CLEARLY DIFFERENT FROM THOSE OF BOTH PASTRANA AND LOPEZ, THERE DO NOT APPEAR TO BE SUFFICIENT GROUNDS FOR EITHER OF THEM TO TAKE PUBLIC ISSUE WITH HIM. VAKY

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